



**SUBCOMMITTEE ON ENERGY POLICY,
NATURAL RESOURCES AND
REGULATORY AFFAIRS**

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Doug Ose (CA-03), Chairman

PRESS RELEASE

**CONTACT: Yier Shi
202-226-6884**

**FOR IMMEDIATE RELEASE
February 22, 2002**

**OSE CALLS FOR ISO INDEPENDENCE AT
HOUSE SUBCOMMITTEE FIELD HEARING**

Panel Witnesses Also Address Need for Market Reform

WASHINGTON, D.C.— House Subcommittee on Energy Policy, Natural Resources and Regulatory Affairs Chairman Doug Ose (R-Sacramento) today reiterated the importance of having an independent Board of Directors for the California Independent Systems Operator (CAISO) as the first step in maintaining a stable California energy market.

Ose criticized California Governor Gray Davis for dissolving the previous CAISO board and replacing it with hand-picked political confidants, thus violating Federal orders given by the Federal Energy Regulatory Commission (FERC).

“The establishment of an independent Board for CAISO is critical for the California energy market,” Ose said. “While I believe the CAISO has tried to move forward by putting together an effective market reform strategy, Governor Davis - through his influence over CAISO’s Board of Directors and the California Public Utility Commission, has slowed down the process.”

The lack of political and regulatory stability in the California energy market has hindered progress on the CAISO’s Market Design 2002 proposal. Ose stressed the need to move forward on market reforms before the next energy crunch. “California is largely stuck with the same flawed electricity market that exacerbated the energy crisis in 2000 and 2001. When our economy picks up, or we have high temperatures and another drought, we could be facing blackouts and skyrocketing energy prices again. The time to act is now,” Ose said.

Ose noted that the political and regulatory uncertainty associated with the flawed energy market design and the lack of independence is causing generators to delay or cancel power plant construction in California. “California needs to create a marketplace that encourages energy suppliers to come to the State. Right now we don’t have that. If we don’t correct the problem, Californians will be paying high prices for power for decades to come.”

(MORE)

The Subcommittee heard testimony from a wide range of energy experts, including State Assemblymen Rod Wright (D-Los Angeles) and Anthony Pescetti (R-Sacramento), FERC Chairman Pat Wood, CAISO President Terry Winter, PJM Interconnection Vice President Richard Drom, California Municipal Utilities Association President James Feider, Independent Energy Producers Executive Director Jan Smutny-Jones, and Vantage Consulting President Walter Drabinski.